

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 09-3042/1	Introduction Number SB-418	
Description Disclosure of information by health care providers and insurers and providing a penalty		
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts </div> <div style="width: 33%;"> <input type="checkbox"/> Cities <input type="checkbox"/> 0 </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4)(a) </div> <div> Affected Ch. 20 Appropriations </div> </div>		
Agency/Prepared By DHS/ Carrie Schneck (608) 266-5362	Authorized Signature Andy Forsaith (608) 266-7684	Date 12/18/2009

Fiscal Estimate Narratives

DHS 12/18/2009

LRB Number	09-3042/1	Introduction Number	SB-418	Estimate Type	Original
Description Disclosure of information by health care providers and insurers and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, health care providers must provide health care consumers with the median billed charges for inpatient or outpatient health care services, diagnostic tests, or other procedures that the consumer specifies. In addition, at the consumer's request, the health care provider must supply immediately and onsite a document with the following information for each of 25 presenting conditions: (1) the median billed charged for the health care services, diagnostic tests, or procedures commonly performed to treat the presenting condition (2) if the health care provider is a certified Medical Assistance (MA) provider, the MA payment rate for the services (3) if the health care provider is a certified Medicare provider, the Medicare payment rate for the services and (4) the average allowable payment from private, third party payers for the services.

A violation of the bill's requirements is subject to a forfeiture of up to \$500. An alleged violator may contest the forfeiture through the administrative hearings process. All fines collected by the Department of Health Services (DHS) must be transferred to the school fund.

DHS has three primary responsibilities in this bill. First, provisions of this bill will affect Wisconsin's state-operated health care facilities, the State Centers for the Developmentally Disabled (DD Centers) and mental health institutes (Winnebago and Mendota Mental Health Institutes). Wisconsin's state-operated DD Centers and mental health institutes charge a daily rate for services. The billed rates are currently published on the DHS website. However, Medicare, MA, and third party payer payment rates are not published on the website or in written form. The cost of revising the current report to include Medicare, MA, and the average allowable payment from third-party payers is minimal and could be absorbed within the current budget.

Second, this bill requires DHS to annually produce a list of the top 25 presenting conditions health care providers must report on, based on the previous year's MA claims data. DHS is required to establish, in consultation with the Wisconsin Collaborative for Healthcare Quality (WCHQ), the methods by which a health care provider is to calculate and present median billed charges for the services, diagnostic tests or procedures used to treat the top 25 presenting conditions.

It is assumed the Centers for Medicare and Medicaid Services (CMS) would view these activities as benefiting the general population, and will not provide a benefit to MA participants. Therefore, it is assumed all costs will be paid with general purpose revenue (GPR).

DHS would work with its contracted vendor to create and execute a report to analyze the previous year's MA claims data for presenting condition and associated procedure information. This work would cost approximately \$2,500 the first year for programming costs, and approximately \$200 each year thereafter to execute and analyze the report. DHS would then consult with WCHQ as required by the bill. WCHQ consulting fees are estimated to be approximately \$6,400 per year. The Department estimates it will take 10 percent of one FTE's time, or approximately \$8,200, to annually produce the reports required by this bill and consult with WCHQ.

Third, the bill requires the Department to assess forfeitures of not more than \$500 for each violation of this bill's provisions. The Department estimates .25 FTE Auditor positions are required to monitor compliance and impose fines when appropriate. The estimated cost of the Auditor is \$22,300 per year. Hearings and appeals related to violations will increase the hearings and appeals caseload by an estimated 5 percent per month, or 170 cases per year. An average hearing and appeal costs approximately \$600; therefore, it is anticipated the Department would incur additional hearings expenses of \$102,000 per year. In summary, the total cost to the Department is \$139,100 GPR per year, plus an additional \$2,500 GPR for one-time programming costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

LRB Number 09-3042/1	Introduction Number SB-418	
Description Disclosure of information by health care providers and insurers and providing a penalty		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time programming costs of \$2,500 GPR for a contracted vendor to create and execute a report to analyze the previous year's MA claims data to identify the 25 presenting conditions for which services were most frequently provided.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$30,500	\$
(FTE Position Changes)		
State Operations - Other Costs	108,600	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$139,100	\$
B. State Costs by Source of Funds		
GPR	139,100	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$139,100	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DHS/ Carrie Schneck (608) 266-5362		12/18/2009
Andy Forsaith (608) 266-7684		

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<div style="display: flex; justify-content: space-between;"> <div> Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS </div> <div> Affected Ch. 20 Appropriations </div> </div>	
Agency/Prepared By DPI/ Michael Bormett (608) 266-2804	Authorized Signature Michael Bormett (608) 266-2804
Date 12/18/2009	

Fiscal Estimate Narratives

DPI 12/18/2009

LRB Number	09-3042/1	Introduction Number	SB-418	Estimate Type	Original
Description					
Disclosure of information by health care providers and insurers and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

Under the bill, a self-insured health plan of a school district must provide to an insured under the health insurance policy or an enrollee under the self-insured health plan a good faith estimate of the median reimbursement that the insurer or self-insured health plan would expect to pay for a specified health care service in the geographic region in which the service will be provided. In addition, the insurer or self-insured health plan must provide to an insured or enrollee a good faith estimate of the insured's or enrollee's total out-of-pocket cost for the specified service. The information must be provided only if the insured or enrollee requests it, and it must be provided at no charge to the insured or enrollee. Before providing any of the information, the insurer or self-insured health plan may require the insured or enrollee to provide the name of the provider providing the service, the facility at which the service will be provided, the date the service will be provided, the provider's estimate of the charges, and the Current Procedural Terminology code or Current Dental Terminology code for the service. In addition, the bill provides that any good faith estimate provided is not a legally binding estimate.

This bill will have no fiscal effect on the Department of Public Instruction.

Long-Range Fiscal Implications

Fiscal Estimate - 2009 Session

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Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div>	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div>	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected			
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Affected Ch. 20 Appropriations			
Agency/Prepared By		Authorized Signature	
ETF/ Jon Kranz (608) 267-0908		Bob Conlin (608) 261-7940	
		Date	
		12/14/2009	

Fiscal Estimate Narratives

ETF 12/14/2009

LRB Number	09-3042/1	Introduction Number	SB-418	Estimate Type	Original
Description					
Disclosure of information by health care providers and insurers and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires health care providers to develop and disclose to consumers certain information related the charges for certain health care services. It also requires insurers to develop and disclose a good faith estimate of reimbursements and out-of pocket costs available from insurers for certain health care services.

This bill will have fiscal effect to the extent that it increases the cost of health insurance provided to state and participating local government due to increased administrative costs associated with the development and distribution of this information. It may have the effect of increasing costs if providers are able to use the information to maximize their charge levels. It may also have a counter-balancing effect if it allows insurers access to additional information which allows them to better negotiate payments with their participating providers.

According to the group insurance boards consulting actuary, this bill is similar to legislation enacted in other states and the cost is expected to be minimal and may be considered negligible.

Long-Range Fiscal Implications

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Agency/Prepared By OCI/ Jim Guidry (608) 264-6239	<div style="display: flex;"> <div style="flex: 1;"> Authorized Signature Sean Dilweg (608) 266-3585 </div> <div style="flex: 0.2; text-align: center;"> Date 12/11/2009 </div> </div>

Fiscal Estimate Narratives

OCI 12/11/2009

LRB Number	09-3042/1	Introduction Number	SB-418	Estimate Type	Original
Description					
Disclosure of information by health care providers and insurers and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

OCI is unable to determine the state fiscal effect of this bill. It is anticipated that possible administrative rulemaking and increased complaint activity against insurers could result in an increase in the need for resources beyond the agency's existing budget authority. OCI anticipates that once the agency gains experience with compliance issues related to SB 418 an assessment of agency needs related to this bill will yield a reliable estimate.

Long-Range Fiscal Implications